

WASHINGTON, D.C. 20505

16 April 1981

Legislative Counsel

Honorable Patricia Schroeder, Chairwoman  
Subcommittee on Civil Service  
Committee on Post Office and Civil Service  
House of Representatives  
Washington, D.C. 20515

Dear Mrs. Schroeder, *Pat.*

Thank you for your letter of 27 March 1981 regarding the Central Intelligence Agency Retirement System. Mr. Casey, and our Director of Personnel Policy, Planning, and Management, Harry Fitzwater, have asked me to respond on their behalf.

The review of our retirement system that is now taking place is being conducted by our Inspector General, who is responsible for conducting periodic reviews of ongoing Agency programs. This review will be focused on the administration of the retirement system.

The Central Intelligence Agency Retirement and Disability System (CIARDS) is based to a large extent on the provisions of law which apply to the Civil Service Retirement System. At the time of the enactment of the CIA Retirement Act of 1964, its principal effect was to make approximately 30 percent of Agency employees eligible for a slightly higher annuity and retirement at age 50 without a reduction in annuity. The approximately 70 percent of our employees who are not covered by the CIA System are covered by the Civil Service Retirement System.

The CIA Retirement Act has been amended on six occasions. These amendments concerned the adoption of certain benefits that the Congress had enacted for government employees under the Civil Service Retirement System. Public Law 94-522, approved 17 October 1976, granted to the President authority to conform CIARDS to the Civil Service Retirement System by Executive Order. To date, five Executive Orders have been issued to conform the CIA System to the Civil Service System.

We are aware of the changes made in the Foreign Service Act with respect to retirement benefits for former spouses, and we are following closely legislation which has been proposed on this subject with respect to the Civil Service Retirement System. Since a large majority of our employees are covered under Civil Service Retirement, and since the legislative history of CIARDS and the conforming authority

*Just Auto*

referred to above are tied closely to this system, we are particularly interested in any changes that may be made. Please be assured that the subject of retirement benefits for former spouses will continue to receive our careful consideration.

Sincerely,

Frederick P. Hitz  
Legislative Counsel

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# House of Representatives

## Committee on Post Office and Civil Service

Washington, D.C. 20515

March 27, 1981

William Casey, Director  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Director Casey:

It has come to my attention that the CIA is in the process of reviewing its retirement system.

Over the last few years I have become concerned over the fact that spouses of federal employees who are divorced after a long marriage are not entitled to retirement benefits under the federal system.

Last year the Congress enacted the Foreign Service Act, which made comprehensive changes in the Foreign Service personnel and retirement system. There were hearings on the problems facing divorced Foreign Service spouses, left with no retirement benefits. The arguments about the needs of the spouses, who had traveled frequently, lived abroad, and been unable to work for one employer long enough to vest in their own retirement systems, were persuasive.

P.L. 96-465 was adopted with provisions to entitle a former spouse, married 10 years or more, to a pro-rata share of the retirement and survivors benefits, subject to court review, modification, or rejection. These provisions apply to those who divorce after the effective date of the new law. However, it does permit a retiree to assign voluntarily survivors benefits to an already divorced spouse.

The bill was fashioned to tie the retirement benefit issue into the actual divorce action, since frequently such benefits are not included in the divorce settlement. At the same time, it permits the courts to look at the individual merits of each case. It contained protections against windfalls by stating that a former spouse who remarries before age 60 would lose pension rights. Moreover, anyone who is married to more than one federal employee, can only be entitled to survivors benefits from one employee.

From calls and letters I have received, I am aware that the retirements problems of divorced spouses is also a difficulty within the CIA personnel system.

I urge you to consider retirement benefits for divorced spouses of CIA personnel when you are considering revisions in your retirement system.

*Just Anita*

The provisions adopted for the Foreign Service carefully crafted to provide the necessary retirement protection for former spouses. I hope that your retirement specialists will take time to review it for application to the CIA.

With kind regards.

Sincerely,

A handwritten signature in cursive script, reading "Pat Schroeder". The signature is written in dark ink and is positioned above the printed name.

PATRICIA SCHROEDER

Chair

Subcommittee on Civil Service

PS/li

cc. Harry E. Fitzwater